

March 22, 2000

MAINE PUBLIC UTILITIES COMMISSION  
Investigation into Area Code Relief

PROCEDURAL ORDER

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**I. NeuStar Contract**

A cost recovery workshop was held on December 17, 1999. At that meeting the participants agreed that the North American Portability Management, LLC (NAPM) should move forward on negotiations with NeuStar, Inc. (NeuStar) on behalf of the Maine telecommunications industry regarding the costs associated with administering pooling in the 207 NPA. Several industry representatives who are also members of the NAPM agreed to report back to the Maine industry on the negotiations and, upon completion of negotiations, circulate the draft agreement to the Maine industry as well as the Commission for review to ensure that it meets all of the specific needs and requirements of the 207 pooling trial.

On February 18, 2000, the Hearing Examiner forwarded a report by NAPM member Michael O'Connor of Bell Atlantic regarding the status of the negotiations. The NAPM is now scheduled to vote on a boiler plate contract for use in state pooling trials on March 20, 2000. After the vote, and assuming passage, the NAPM representatives will forward the draft agreement to the Hearing Examiner for circulation to the parties. The specific terms of the agreement and any Maine-specific addendums will be discussed during a conference call scheduled for **April 4, 2000, at 2:00 P.M. EST. All code holders in Maine are encouraged to participate in this call because of the likelihood that code holders will bear the costs for implementing pooling.**

**II. Cost Allocator**

With regard to development of a cost recovery mechanism, there was preliminary agreement at the December 17 meeting that industry-wide costs should be recovered through an allocator based upon carriers' end-user telecommunications revenues, which include interstate, intrastate, and international end-user revenues. On January 25, 2000, MCI WorldCom, Inc. (MCI WorldCom) filed a Petition for Clarification arguing that the Commission has authority only over intrastate telecommunications revenues and thus, the allocator must be limited to intrastate revenues.

The Commission seeks comment on the following:

1. MCI Worldcom's assertion that the Commission cannot require the use of an allocator based on interstate, intrastate, and international end-user revenues; and

2. Whether any other allocator (i.e., number of codes, number of access lines) should be used, why such allocator would be more reasonable than the end-user revenue allocator, and the costs that would be incurred to true-up the new allocator with any national cost recovery mechanism.

**Comments should be filed by close of business on March 31, 2000, and circulated to the service list.** The issue of the cost allocator will be discussed during the April 4<sup>th</sup> conference call.

### **III. Cost Recovery Mechanism for ILECs**

At the December 16 meeting, a task force was established to develop mechanisms for incumbent local exchange carriers (ILECs) to recover their pooling costs. On February 15, 2000, the Task Force reported on the recommendation made by Bell Atlantic and TAM that industry-wide costs be treated as generic telephone industry costs constituting Generic Rate Adjustments and the OPA's concerns regarding the possibility of automatic pass-through of any ILEC costs. (A copy of the Task Force Report is attached.) The Task Force stated that it could not make a recommendation on a cost recovery mechanism because of the disagreement on the pass-through issue and recommended that the Commission consider holding a technical conference to discuss the concerns of the parties.

The Commission seeks comment on the following:

1. Bell Atlantic and TAM's proposal that industry-wide costs be treated as generic telephone industry costs constituting Generic Rate Adjustments;

a. How should the Commission define "industry-wide" costs? What costs should be specifically included? Excluded? Would individual carrier fees for block applications be treated as carrier-specific costs or as industry-wide costs?

2. OPA's concerns regarding automatic pass-through of costs;

a. Should there be different treatment for industry-wide versus carrier-specific costs?

b. What sort of mechanism should the Commission use to review carrier-specific costs?

c. What should the standard be for recovery of carrier-specific costs? For industry-wide costs?

**Comments should be filed by close of business on March 31, 2000, and circulated to the service list.** The issue of the ILEC cost recovery will be discussed during the April 4<sup>th</sup> conference call if time allows, otherwise a second conference call will be scheduled.

Dated at Augusta, Maine, this 22nd day of March, 2000.

BY ORDER OF THE HEARING EXAMINER

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Trina M. Bragdon